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Bermuda

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I. General

1. Bermuda is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located in the western part of the Atlantic Ocean, about 917 kilometres east of the nearest continental shore, the North Carolina coast of the United States of America. The Territory, covering 57 square kilometres, consists of 8 major and 130 smaller islands. The largest is Great Island, or Main Island. Hamilton, the capital, and St. George's are the two main towns.

2. Bermuda was discovered by Spanish navigator Juan de Bermudez in 1505. Bermuda remained uninhabited until 1609, when it was settled by a group of English colonists; in 1610 the first slaves were brought to work on the farms and to dive for pearls. The islands were administered under charter of the Virginia Company and successor companies, until the arrangement was dissolved in 1684 and government was fully assumed by the Crown. In 1620, the first Parliament was held after the Crown granted the colony limited self-government. In 1968, Bermuda was granted internal self-government and a new Constitution.

3. The year 2009 marks the four hundredth anniversary of continuous human settlement in Bermuda. To mark the event, the Ministry of Culture and Social Rehabilitation will establish a Cultural Legacy Fund with $100,000 as seed funding. According to the Minister of Finance, the Fund will be used to promote, transform and preserve the art and culture of Bermuda through support of cultural initiatives of national significance.[1]

4. In 1995, a referendum was held on the question of independence. Of the 58.8 per cent of eligible voters who participated, a small number by Bermudian standards, 73.6 per cent voted against independence. The then-opposition party had organized a boycott of the referendum among supporters of independence arguing that the issue should be resolved by general election.

5. In 2008, the population of Bermuda was estimated to be 64,209,[2] up from 62,059 during the 2000 census. Approximately 55 per cent of the population is black, 34 per cent white and the remaining 11 per cent mixed or other races, with an estimated annual growth rate of 0.55 per cent.[3] The Territory is the third most densely populated place in the world, with approximately 3,300 inhabitants per square mile, and with all of its population living in urban areas.

6. The Overseas Territories Act, which came into force in 2002, provides British citizenship to the peoples of its Territories, including Bermudians. That law allows Bermudians to hold British passports and to work anywhere in the European Union.

Note: The information contained in the present working paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Budget statement 2009/10 presented by Paula A. Cox, J.P., Minister of Finance, 20 February 2009, www.gov.bm.

[2] Bermuda Government, Department of Statistics, Population Projections, 2000-2030, available from bermuda-online.org/bdagovt.htm.

[3] Central Intelligence Agency, The World Factbook, available from www.cia.gov/.

II. Constitutional, legal and political issues

7. The Constitution of Bermuda, adopted in 1968, was amended in 1973, 1979, 1989, 2001 and 2003. The Governor (and Commander-in-Chief) is appointed by the United Kingdom, after consultations with the Territory's Premier. The Governor is responsible for defence, external affairs, internal security and the police. The current Governor of Bermuda, Sir Richard Gozney, took office in December 2007.

8. The Territory has a parliamentary system of government, comprising a Governor, a Deputy Governor, a Cabinet and a bicameral legislature, with a House of Assembly of 36 members directly elected for a five-year term and a Senate of 11 appointed members. Five members of the Senate are appointed by the Governor, on the advice of the Premier, three on the advice of the leader of the opposition and three by the Governor at his discretion. The Governor appoints as Premier the member of the House of Assembly who appears to him or her to be best able to command the confidence of a majority of the members of that House. The Premier heads a Cabinet that may not comprise more than 14 members of the legislature.[4]

9. In the United Kingdom Committee of Foreign Affairs report issued on 7 July 2008, the Committee recommended that the Government of the United Kingdom encourage the Bermuda Government to strengthen its transparency measures, including by establishing an independent electoral commission and ending the practice of Committees of the House of Assembly sitting in camera, that is, without any public disclosure of meetings or their proceedings.[5]

10. Bermuda's law and legal system are based on English common law and principles of equity, English statute law (in force since 1612) and Acts of the Bermuda Parliament passed since then. The judiciary is a separate body from the Government, and its members are not elected but are appointed on the advice of the Chief Justice. There are three courts presiding in Bermuda, namely, the Magistrates' Court, the Supreme Court and the Court of Appeal.

11. There are two official political parties in the Territory. The Progressive Labour Party (PLP) was formed by the black majority in 1963. The United Bermuda Party (UBP) was formed in 1964, largely by the white population. In the 1998 general election PLP defeated UBP and took power for the first time in the 30 years since the party system began in 1968. The party was re-elected for a second five-year term in 2003. The current Premier, the Honourable Dr. Ewart Brown, took office on 30 October 2006, following his election as the leader of the governing PLP, replacing Alexander Scott in each capacity. During the latest general election, held on 18 December 2007, Dr. Brown was re-elected as Premier of Bermuda, with PLP retaining their majority of 22 of the 36 seats in the House of Assembly. The next general election is due to be held in 2012.

12. Voters in the general and other elections or referendums must be 18 years of age and Bermudian by birth or status, or non-Bermudian long-term residents who are citizens of the British Commonwealth and registered to vote annually since 1979. According to the administering Power, in the 2007 general election there were approximately 42,300 registered voters, about 66 per cent of the total population, an

[4] Information transmitted by the administering Power, 11 January 2007.

[5] Seventh report of the Foreign Affairs Committee session 2007/08, Overseas Territories.

increase of 3,000 compared to the 2004 elections. Voter turnout was approximately 76 per cent, with the number of votes cast at 32,028.

13. In significant measures, racial divisions in Bermuda continue to be played out in the support for, or opposition to, independence and the method to be used to ascertain the wishes of the population on that question. The ruling Progressive Labour Party wants the issue of independence settled in the context of an election, arguing that the pattern around the globe has been to resolve the independence process by means of a general election. The opposition United Bermuda Party favours using a referendum, as it sees a referendum as a more democratic approach to the process and the public will be encouraged to focus directly on a single issue.

14. As previously reported, the Bermuda Independence Commission, set up in December 2004, issued an official report in August 2005.[6] On the question of the use of either a general election or a referendum to test public opinion on independence, the Commission concluded that it was incumbent upon both political parties to share the merits of each method.

15. In November 2005, the speech delivered by the Governor on the occasion of the opening of Bermuda's Parliament (known as the Speech from the Throne), reflected the position of the territorial Government that independence was a natural progression for a mature jurisdiction such as Bermuda.

16. Since late 2006, when the Premier announced that independence was "not on the front burner" but that it was "still on the stove", there has been no mention of the issue by either the Governor or the Premier in their annual speeches.

17. The latest opinion poll, carried out in July 2007, showed public sentiments at previous levels, with 63 per cent opposed to independence, 25 per cent in favour and 12 per cent undecided.

III. Budget

18. Bermuda's fiscal year begins in April. The 2009/10 budget remains unchanged from the previous year, at $1.1 billion.[1] To avoid increasing any major tax rates, the Government plans to call upon some of its reserves and the balances in its Confiscated Assets Fund to cover some of the required expenditure in 2009/10 and to limit the level of debt incurred in Government borrowing. The Government borrowing in the budget is limited to investment in hard assets for infrastructure as part of the multi-year phased capital expenditure programme and to Government guarantees to support public-private partnerships.

19. In the national budget for 2009/10, the Ministry of Finance announced that it had marshalled all resources at the disposal of the Government for the implementation of economic and financial contingency plans, should that become necessary in the case of a prolonged recession. The Ministry of Finance estimated that the gross domestic product of Bermuda will decline by 1 to 1.5 per cent during the period in question.[7]

[6] Report of the Bermuda Independence Commission, August 2005.

[7] Government of Bermuda, Ministry of Finance National Economic Report of Bermuda 2008.

IV. Economic conditions

A. General

20. The official currency of Bermuda is the Bermuda dollar. On a one-to-one basis, the Bermuda dollar is pegged to the United States dollar.[8]

21. The economy of Bermuda continues to be based primarily on providing financial services for international business and on tourism.[5] Most capital equipment and food must be imported. The industrial sector of Bermuda is small, although construction continues to be important. Agriculture is limited, as only 20 per cent of the land is arable.[3]

22. Against a backdrop of economic, financial and potential international regulatory challenges for Bermuda, owing to the global economic recession, the Finance Minister announced that the main objective of the Government for the period was to facilitate and stimulate growth, whenever possible, in order to sustain employment levels and household incomes. The Government also announced its intention to assist Bermudians as needed, with the condition that businesses that request assistance commit to retain their Bermudian staff.[1]

23. The global economic slowdown is expected to have a negative impact on the total tax yield of the Government in 2009/10. Government therefore is projecting a revenue budget of $969 million for the period, some $16 million below the original estimate of $985 million for 2008/09.[9] At the start of the budget cycle for 2009/10, the Ministry of Finance issued a general direction to ministries to seek a 10.5 per cent reduction from the 2008/09 approved budget so that the Government could accommodate new programmes without tax increases.[1]

B. Financial services

24. Bermuda is one of the world's leading offshore financial and business centres and is among the major jurisdictions worldwide in large-scale insurance and reinsurance. There is no central bank in the Territory. The Bermuda Monetary Authority is the regulatory authority for banks and trust companies.

25. Over the past several years, the international business sector has had the highest number of new jobs of all sectors of the economy. However, in 2008, the increase in jobs was minimal and the numbers are expected to be similar for 2009. It is anticipated, however, that international business will continue to drive the economy and provide the largest positive contribution to gross domestic product for the foreseeable future.

26. There were 15,201 international companies registered in Bermuda at the end of 2008, a decline of 177 companies, or 1.2 per cent less than the total at the end of 2007. Over the first nine months of 2008, foreign exchange earnings of the international companies grew by $427 million to $1.5 billion, representing a 38.7 per cent increase.

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[8] See www.bermudasun.org and www.eiu.com.

[9] Pricewaterhouse Coopers Bermuda review 2008 Bermuda budget statement economic overview.

27. In total, 1,032 new exempted companies were incorporated in 2008, compared to 1,427 the year before, representing a decline of 27.7 per cent. At the end of the third quarter of 2008, the total net asset value of collective investment schemes was $196.30 million, a loss of 14.9 per cent year over year. There was also a decrease of 24 mutual funds and unit trusts registered in Bermuda in the 12 months ending in September 2008.

28. In November 2007, the Foreign Affairs Committee of the United Kingdom House of Commons began a comprehensive inquiry into standards of governance, transparency and accountability, the role of governors and regulation of the financial sector for all 14 territories. The inquiry team visited Bermuda in March 2008. In its report, issued on 7 July 2008, the Foreign Affairs Committee recommended that the Foreign and Commonwealth Office encourage Bermuda to continue to make progress in improving financial regulation, in particular, in arrangements for investigating money-laundering.[5]

29. In June 2008, Bermuda passed legislation enabling it to establish its own independent Financial Intelligence Agency. A month later, it was announced that the number of people in the Agency would increase as part of new legislation aimed at combating money-laundering and the financing of terrorism. According to press reports, the new legislation followed a review that showed Bermuda fell short of full compliance with 29 international recommendations on countering money-laundering and fighting the financing of terrorism (see also section V, part F, of the present document, entitled "Crime").[10]

C. Tourism

30. The ongoing global economic slowdown had a negative effect on the tourism industry in Bermuda in 2008. Visitors arriving by air from the United States decreased, which caused a decline in visitor volume overall, as the overwhelming majority of visitors to Bermuda originate in the United States. Air passenger arrivals from the United States declined from 75.1 per cent of total visitors for 2007 to 71.3 per cent for 2008. The total number of visitors arriving by air decreased by 4.6 per cent, from 305,548 in 2007 to 291,431 in 2008. Cruise passenger arrivals declined from 354,024 in 2007 to 286,408, which represents a reduction of 19.1 per cent. The total visitor arrival figures for 2008 fell by 81,733, or 12.4 per cent over the year. Hotel occupancy rates averaged 59.1 per cent in 2008, which is a decline of 11.9 per cent. The Heritage Wharf, a new cruise pier complex at the Royal Naval Dockyard, is scheduled to open in May 2009. As a result of the new facility's capability of docking larger ships, it is hoped that Bermuda will attract an increased number of cruise visitors.

31. On 20 June 2008, the Premier and the United States Secretary of Homeland Security signed a letter of intent whereby passengers and crew of private aircraft departing Bermuda would be pre-cleared for United States customs. The pre-clearance for non-commercial aviation is viewed as enhancing the attractiveness of Bermuda's tourism and financial services. A high number of visitors arrive on

[10] About Bermuda Online, Bermuda Government, Financial Intelligence Agency, available from http://www.bermuda-online.org/bdagovt2.htm.

private flights, which is in line with Bermuda's "Platinum Period" strategy efforts for tourist development, promoting high-end visitors.[11]

D. Construction

32. The construction industry remained active over the first three quarters of 2008, with the estimated value of work carried out during that time increasing by 7.1 per cent and the value of new projects started up by 3.9 per cent. However, in 2009, there is likely to be reduced construction activity following the completion of various major projects. The Government is providing stimulus to the sector with projects such as the Hamilton police station and Magistrates' Court, which are in process. Anticipated Government projects that should come online in 2009 include the Tynes Bay seawater reverse osmosis expansion project and several housing initiatives. The number of jobs in the construction sector rose by 2.8 per cent to a total of 3,644, which is an increase of 100 jobs over 2007.[9]

33. The Ministry of Labour, Home Affairs and Housing has been provided with $137 million for 2009/10, which will partly go towards stimulating construction. In 2008, the building of more affordable rental units was spurred by the Government offering customs duty relief enacted in 2007 to private sector developers for constructing such units.[12] The next phase of one such development, the Loughlands, is expected to be finalized soon and the completion of the rent-geared-to-income Perimeter Lane Development is scheduled for August 2009. In response to the current economic climate, a modification of the original concept and phased implementation of the Government interest-free loans initiative, announced in the 2008 Speech from the Throne, for qualified Bermudians who wish to become first-time homeowners, is still scheduled to go forward.

34. In the United Kingdom Committee of Foreign Affairs report issued 7 July 2008, the Committee recommended that the territorial Government take steps to ensure that allegations that have surfaced with regard to corruption at the Bermuda Housing Corporation in the issuing of contracts be properly investigated.[5]

E. Transport and communications

35. Bermuda has very high-standard transport and telecommunications sectors. There is a network of about 225 kilometres of paved public roads and 400 kilometres of private roads (see A/AC.109/2006/6, para. 25). Bermuda also has one of the highest road traffic densities in the world, with approximately 100 vehicles per kilometre of paved road.[13]

36. Restrictions on car ownership to one per household, coupled with a policy of allowing no rental cars, have resulted in the development of an excellent and well-utilized group transportation system. The free public transportation for students via bus and ferry, which took effect in September 2008, continues. Fifteen new wheelchair-capable, low-floor buses will be delivered and put into service during

[11] The Cabinet Office, Press Secretary to the Office of the Premier, 24 June 2008.

[12] Information transmitted by the administering Power, 9 January 2008.

[13] "The Search for Clean Air": 2004 annual report of the Bermuda Biological Station for Research.

2009. The buses will exceed Euro-4 clean air standards and have increased passenger capacity due to a redesign of the interiors.

37. Bermuda has its own air and ship regulatory agencies. Both the Department of Civil Aviation and the Department of Maritime Administration maintain registries, which are considered to be as stringent as comparable agencies in the United Kingdom and the United States. Automation of the Aircraft Information and Records System to accommodate the continued growth of the register of aircraft is now complete and will be further developed during the end of fiscal year 2008/09.[14]

38. The L. F. Wade International Airport in Bermuda has undergone significant improvement since 2000. The pavement rehabilitation work on the runways, taxiways and aprons at the airport, for which $18.0 million has been allocated, will continue throughout 2009.[6] There are numerous regular commercial flights between Bermuda and a number of destinations, such as Boston, New York, Miami, Atlanta, Newark, Philadelphia, Toronto, London and Washington, D.C. During the summer season, additional carriers are added to accommodate other gateway locations. There has also been a marked increase in general aviation traffic to meet the demand of the international business sector.[14]

39. The international and domestic information and communications technology infrastructure of Bermuda is highly advanced and accessible to the entire population. The island has four international telecommunications service providers, three of which have their own transatlantic facilities, which are supplemented by satellite facilities for special services and emergency communications. Domestic information and communications technology services across the island are provided by a total of nine service providers.[14]

V. Social conditions

A. General

40. Various socio-economic inequalities continue to exist in Bermuda. According to the administering Power, the Territory continues to address the issue of racial equality through the publication of statistics on workforce demographics, education and training and new proposals for legislation, addressed below.[14]

41. In keeping with the emphasis on family and youth in Bermuda, as highlighted in the Governor's November 2008 Speech from the Throne, the Ministry of Culture and Social Rehabilitation has been provided with a budget of $74 million in 2009/10, representing an increase of 23 per cent above its 2008/09 allocation.[1]

42. In November 2008, after several months of policy development, the Ministry launched a much-anticipated child day-care allowance programme to assist low-income families with the cost of day care for children under 4 years of age. The maximum amount available is $800 per month per eligible child. Approximately 300 families have been approved under the programme to date. The programme will continue during fiscal year 2009/10, and $4.4 million has been allocated for that purpose.

[14] Information provided by the administering Power, 29 January 2009.

43. The Ministry of Culture and Social Rehabilitation intends to initiate a juvenile and family treatment system in 2009 to provide for the therapeutic treatment of dysfunctional families. An amount of $500,000 has been earmarked for the programme in 2009/10. The Ministry has also been allocated an increase of $2.4 million for the same period for psychoeducational treatment services for certain youth with behavioural disorders.[1]

B. Labour

44. Based on preliminary 2008 employment data, the total number of jobs in Bermuda increased by 217, from 39,851 in 2007 to 40,068 in 2008, an increase of 0.5 per cent. The public administration sector recorded the greatest increase in the number of jobs of any industrial sector. Employment numbers for the sector rose to 4,223 in 2008 from 4,113 in the previous year. Those 110 jobs equated to a hike in employment of 2.7 per cent. The construction sector recorded the next highest increase in the level of employment in 2008. The number of jobs in that sector rose by 2.8 per cent to a total of 3,644. The hotel sector experienced the next highest level of growth in employment, with employment levels rising from 2,965 in 2007 to 3,046 in 2008, representing an increase of 81 jobs and growth of 2.7 per cent year over year.

45. Although the net change in total employment during 2008 was a positive one, 6 of the 16 major divisions of economic activity recorded a loss in the number of jobs at the end of the calendar year. The sector which recorded the largest loss of jobs was transportation and communications. The reduction of 155 positions exceeded any other sector's losses by 94 posts. The loss represents a decline of 5.6 per cent year over year. With regard to unemployment, an increase is expected in 2009. There is already evidence of that in the retail, hotel, telecommunications and financial service sectors. Higher unemployment will give rise to lower levels of employment income, with the potential for some cutback in consumer spending. That may have a negative effect on retail sales, with the likelihood that sales will slow further in 2009.

46. The Department of Labour and Training plans to expand its Summer Employment Programme and implement the "One Stop Career Centre" to provide a single venue where individuals can explore career options and receive job placement assistance and training, and referrals for further training. The so-called "Hustle Truck Employment Programme" will partner with the Bermuda Housing Corporation and the Department of Labour and Training to provide a wider range of training opportunities to enhance workers' skills and to improve their chances of securing full-time employment.[1]

47. A 2008 annual review of the workforce, undertaken and published by the Commission for Unity and Racial Equality, reinforces the view that representation of black Bermudians in the workforce remains significantly skewed, and that not enough is being done to address the inequality. While blacks represent more than half the workforce, at 54 per cent, they continue to be underrepresented in the senior/executive and mid-management positions and income levels and overrepresented in the non-professional employment levels. In terms of numbers, the survey revealed that black employees accounted for 62 per cent of non-professional jobs, while whites accounted for 66 per cent of executive

management positions. The report noted that business leaders attributed the low percentage of black employees in senior positions to the lack of educational qualifications among black employees.

48. The territorial Government's initiatives addressing race relations are set out in paragraphs 62 and 63 below.

49. In November 2008, with inflation in Bermuda reaching 5.9 per cent, its highest level in 17 years, Labour Minister Lieutenant Colonel David Burch announced that measures had to be taken to ensure that the daily needs of Bermudians were met. Minister Burch said that in response to increasing complaints about illegal workers in construction, the Government had instituted closer scrutiny of all work permits in the sector and had placed electricians, carpenters, masons and plumbers in the restricted category. According to the Labour Minister, the Government is closely monitoring all other industries where anticipated redundancies or layoffs may occur, to ensure that Bermudians are the last to be displaced. Close liaison is occurring between the Department of Labour and Training and the Department of Immigration so that any jobs which become available can first be offered to Bermudians before any consideration is given to issuing work permits.

C. Education

50. Education in Bermuda is compulsory for all children from 5 to 16 years of age and is free in Government schools. Approximately 60 per cent of Bermudian students of compulsory school age attend public schools. The public school system includes 2 senior secondary schools, 5 middle schools, 17 primary schools, 10 preschools, 1 special school and 1 alternative programme. There are two private schools which offer early primary education, as well as a number of other private schools for all ages. Those institutions receive no Government funding, but the Government has the authority to determine the examinations to be taken in the private schools as a means of ensuring appropriate academic standards.[15] For 2009/10, the Ministry of Education was provided with a budget of $149 million.[1]

51. Senior school graduates are prepared for further studies at the Bermuda College or at institutions abroad, mainly in the United States, Canada and the United Kingdom. The literacy rate in the Territory is considered high: 98 per cent of males and 99 per cent of females 15 years of age and over can read and write. Since 2007, citizens from the Overseas Territories have benefited from the home student fee rate at English universities.[16]

52. As previously reported (see A/AC.109/2006/6, para. 34), the 2000 census revealed a serious disparity between the proportion of white students going to private schools (three quarters) and black students enrolled in the Government educational system. The quality of education in Bermuda public schools has been a frequent issue in the media, with, in recent years, only about half of the students attending public schools graduating from high school. In 2008, however, 71 per cent of the students who had entered senior school four years prior did graduate.

[15] See Bermuda Education Department, 23 February 2009, http://www.bermuda-online.org/educate.htm.

[16] Lord Triesman, Overseas Territories Minister, eighth annual meeting of the Overseas Territories Consultative Council on 21 and 22 November 2006, available from www.fco.gov.uk.

53. In response to concerns about the quality of public education, the territorial Government, in February 2007 commissioned a report on the state of the public school system, which led to the creation of an Interim Executive Board that has been charged with overseeing a restructuring of the system. In 2009, that Board will be dissolved and some of its members will become members of the statutory Board of Education.[14]

54. According to information provided by the administering Power, the 1996 Education Act was amended in 2008 to reflect the implementation of an accountability model, in which schools are rewarded when student growth is demonstrated and where interventions are implemented for schools which perform at a low level. The amendment also established the post of Commissioner of Education, who is responsible for the day-to-day oversight of the Department of Education, which includes all schools.[14]

55. According to information provided by the administering Power, the Bermuda College is the main educational facility that offers tertiary education in Bermuda. The College receives a grant from the Bermuda Government, and its operations are overseen by a Board of Governors. As of September 2008, students who enter the Bermuda College from one of the local senior schools and who enrol in an approved course of study at the College no longer have to pay any tuition fees.[14]

56. During 2009/10, Bermuda College will complete its final self-study towards institutional accreditation through the New England Association of Schools and Colleges and prepare for a final site visit in 2010. In addition, steps will be taken to ensure that the motor vehicle technology programme at the College will become accredited. The College will introduce relevant and proven student success and retention strategies including piloting learning communities for freshmen students in the fall of 2009 and peer advising. In order to continue to support the pursuit of further education and qualifications by Bermudians, the College will implement the new "nursing pathways" programme in partnership with the Ministry of Health and the Bermuda Hospitals Board and enter into partnership with institutions in the United Kingdom so that students may have a seamless transfer as they take advantage of the benefit of home fees in the United Kingdom.[1]

D. Health

57. According to information provided by the administering Power in 2007, population projections continue to indicate that two major demographic phenomena will dominate Bermuda in the future years: an ageing population and a low fertility level. Life expectancy at birth is 80 years for women and 75 years for men. However, as previously reported, life expectancy among blacks in Bermuda is nearly four years less than for whites.[17] Chronic diseases continue to account for a disproportionate number of health challenges in Bermuda. Government efforts towards promoting wellness and fitness and aggressive programmes to curb lifestyles that lead to diabetes, hypertension and obesity will be a major focus of the Ministry of Health in 2009.[18]

[17] "Bermuda health systems and services profile", report prepared for the Ministry of Health and Family Services of Bermuda by Dr. Marcelo Ramella, April 2005.

[18] See "2008 Speech from the Throne", available from 7 November 2008, www.gov.bm.

58. According to the Governor's 2008 Speech from the Throne, too little attention has been paid to the mental health of Bermudians, producing an atmosphere of taboo in dealing with issues of that nature. The Government pledged to provide a comprehensive framework for the implementation of a mental health treatment programme to better deal with the needs of offenders within the corrections system (see A/AC.109/2006/6, para. 36).

59. There is no comprehensive, publicly funded health insurance, although hospitalization insurance is mandatory for all employed or self-employed persons. Nonetheless, insurance coverage is nearly universal, and some persons are insured by more than one provider (see A/AC.109/2006/6, para. 36). During 2009, the Government will undertake work on a replacement facility for one of the Territory's two hospitals, the King Edward VII Memorial Hospital (see A/AC.109/2006/6, para. 36). Both hospitals are operated by the Bermuda Hospitals Board, a statutory body financed by the Government.

60. For 2009/10, the Ministry of Health has been provided with a budget of $177 million, up from $151.7 million during the previous financial year. According to the 2009/10 budget statement, $10 million has been set aside for the launching, in April 2009, of "future care", a programme geared towards assisting senior citizens to enhance their range of health-care benefits.[19]

E. Human rights and related issues

61. In August 2008, stakeholders met in the Turks and Caicos Islands with the Caribbean human rights coordinator of a four-year project carried out since 2007 by the Commonwealth Foundation, the Commonwealth Legal Education Association and the Commonwealth Human Rights Initiative. The project is funded by the United Kingdom Department for International Development and the Foreign and Commonwealth Office, with a view to helping the United Kingdom Overseas Territories conform with international standards concerning human rights obligations and develop action plans. At the meeting, human rights capacity-building in the United Kingdom Overseas Territories of the Caribbean, Pacific and South Atlantic project was discussed.

62. As previously reported (see A/AC.109/2008/10, para. 66) Citizens Uprooting Racism in Bermuda (CURE) has engaged national partnership initiatives to fight racism and promote the elimination of racial discrimination in schemes sponsored by Citizens Uprooting Racism in Bermuda, a grass-roots non-governmental organization and partnered with the Cabinet of the Government of Bermuda in organizing the Bermuda race relations initiative. The so-called Big Conversation engaged Bermuda in dialogue on race twice monthly over a nine-month period in 2007.

63. In March 2008, the Premier announced that the Big Conversation would be expanded. The Government established an advisory group to help drive the initiative, as well as an organizing committee for the Big Conversation dialogues. The Bermuda race relations initiative ran from March to November 2008 and included two black-only and two white-only forums, as well as smaller

[19] Budget statement 2009/10, available from www.gov.bm and "2008 Speech from the Throne" available from www.gov.bm.

conversations, which were expected to expand the reach and effectiveness of the initiative.[20]

64. The following major international human rights instruments apply in Bermuda: the European Convention on Human Rights, the International Covenant on Economic and Social Rights, the International Covenant on Civil and Political Rights, the United Nations Convention Against Torture, the Convention on the Rights of the Child and the Convention on the Elimination of Racial Discrimination.

65. In the context of the Overseas Territories Consultative Council meeting held in London on 28 and 29 October 2008, the territorial Government agreed upon the target date of October 2009 to achieve the extension of International Labour Organization Convention 182 on the worst forms of child labour and of the Convention on the Elimination of All Forms of Discrimination against Women, and to consider the options available to meet international obligations on sexual orientation.

F. Crime

66. According to the budget statement for 2008/09,[21] as delivered by Bermuda's Minister of Finance, Bermuda has recently experienced an unprecedented spike in crime. To stem the tide of violence, a higher police presence and proactive policing measures have been put in place. Bermuda has a police force of approximately 450 full-time officers and several hundred part-time police reserves. Recruitment continues to be a challenge, but the Commissioner of Police and his senior staff have made recruitment both locally and from overseas a priority.

67. An anti-gang initiative, first implemented during 2006, continues to be developed and applied, aiming to obtain a full understanding of the extent of the gang problem in Bermuda. In May 2008, the Minister of Labour, Home Affairs and Housing, David Burch, announced that the Government had teamed up with Island Soccer League Commissioner David Bascome to launch an anti-gang initiative called "hope for life". He explained that the initiative would be focused on four areas, which would provide participants with education about the pitfalls of drugs and violence and provide positive alternatives, in addition to teaching them about how to make good decisions and how to resist negative peer pressure.

68. The Ministry of Justice has endeavoured to provide assistance in combating the increase in violent crime by the establishment of a witness support unit. The unit, which is still in the early stages of implementation, provides information and support to witnesses throughout the trial process with the aim of demystifying the criminal justice system and reducing witness intimidation.[14]

69. The successful "mirrors" programme, funded by the Ministry of Culture and Social Rehabilitation, which redirects at-risk youth towards a more productive lifestyle, enters its third year in fiscal year 2009/10 and has been allocated a budget of $2.1 million. To date, three intensive residential courses have been completed by a total of 93 youth participants.[1]

[20] The Big Conversation will be expanded in 2008.

[21] Budget statement, 2008/09, www.gov.bm.

70. The police budget was increased by 10 per cent, to $62.8 million for the 2008/09 fiscal year, to fund programmes and initiatives such as those mentioned above. The Ministry of Justice has been provided with a budget of $24.9 million for the same period and a newly established Financial Intelligence Agency was allocated $500,000.[14]

71. According to information provided by the administering Power, the Ministry of Justice has continued its initiatives relating to the Bermuda anti-money-laundering and combating the financing of terrorism plan, mentioned earlier. The Financial Intelligence Agency will receive and analyse suspicious activity reports relating to known or suspected money-laundering or financing of terrorism. Senior personnel have been appointed and are completing the final stages of the transition from the Financial Intelligence Unit of the Bermuda Police Service to the new Financial Intelligence Agency.[14]

72. In addition, the National Anti-Money-Laundering Committee has been working closely with relevant industry bodies and other persons in the development and implementation of a National Action Plan to bring Bermuda into substantial compliance with international standards relating to anti-money-laundering and combating the financing of terrorism. According to information provided by the administering Power, the laws passed by the Legislature during the third quarter of 2008, namely, the Proceeds of Crime Amendment Act 2008, the Anti-Terrorism (Financial and other Measures) Amendment Act 2008, and the Financial Intelligence Agency Amendment Act 2008, indicate that significant progress has been made with regard to those issues.

73. The above legislation, along with the Proceeds of Crime Amendment Act 2007 and the Financial Intelligence Agency Act 2007 became operative on 15 November 2008. The legislature has also approved the Proceeds of Crime (Anti-Money-Laundering and Anti-Terrorist Financing) Regulations 2008, which make provision for the systems and controls that specified entities must have in place to prevent and detect money-laundering and the financing of terrorism. The Regulations applied to financial institutions with effect as of 1 January 2009 and will be extended to lawyers and accountants at a later date.[14]

G. Environment

74. The Ministry of the Environment and Sports is provided with a budget of $40 million for the 2009/10 fiscal year. The Department of Parks will focus on the production of the seventy-first Annual Exhibition, implementation of a horticulture training programme and a cross-ministry woodland management scheme. The Department will also provide support for the four hundredth anniversary celebration events at Fort St. Catherine, the Botanical Gardens and other fort sites. The Land Valuation Department is conducting the 2009 revaluation, which will come into effect on 1 January 2010.[1]

75. A new animal health-care facility will also be constructed. The Department also will deploy tracking devices on the Cahow, an endemic endangered seabird, and conduct the first-ever total economic evaluation of the Bermuda coral reef system. The latter will be published in June 2009.[1] In its fortieth year of operation, the Bermuda Turtle Project hosted the twelfth annual International Course on the Biology and Conservation of Sea Turtles, in August 2008.[1]

76. In June 2008, the Minister of the Environment and Sports declared the draft Bermuda plan 2008 to be the operative development plan for the island. The plan, which is currently the subject of a four-month public consultation period, provides the framework for the effective management of the natural and constructed environment and resource development in a sustainable manner that best provides for the environmental, economic and social needs of the Territory until 2015. During the four-month period, members of the public can object to or comment on any zoning or policy in the new draft plan.[14]

77. In May of 2008, the Minister of the Environment opened the new Cooper's Island Nature Reserve. Comprising over 50 acres, the site represents the last significant opportunity to set aside an extensive, largely undeveloped parcel of land of importance to the conservation of the unique biodiversity of Bermuda.[14]

78. In 2009, the Government will introduce a comprehensive water conservation campaign to heighten public awareness about the importance of water conservation. The campaign will involve public presentations, advertising via the print and electronic media and the production of brochures, banners, leaflets, posters and other campaign literature for island-wide dissemination. The water conservation campaign will complement the opening of the new Tynes Bay seawater reverse osmosis plant on the North Shore, which will have a capacity of 500,000 gallons per day, with the capability to be upgraded to produce 1 million gallons per day (see A/AC.109/2006/6, para. 36). The plant has significantly reduced Bermuda's dependency on rainwater.

79. Electric power in Bermuda is provided by a single private entity, which relies exclusively on fossil fuels to generate electricity. The Department of Energy was created within the Ministry of Energy, Telecommunications and E-Commerce at the beginning of 2008 and most of the year has been spent researching and developing a public consultation document, which will be used as the catalyst to engage the public in a wide-ranging debate on the various aspects of developing energy policies for Bermuda. In addition to more in-depth research into viable alternative sources of energy, the Department will also collaborate with other Government entities to encourage a change in consumption habits and a move towards a culture of energy efficiency and conservation.

80. In the context of the Overseas Territories Consultative Council held on 28 and 29 October 2008, the Territory agreed to work to address the potential impact of climate change in the Overseas Territories and to promote sustainable environmental policies in the Territories, with additional support from the United Kingdom Department for the Environment, Food and Rural Affairs.

VI. Military issues

81. According to the administering Power, Bermuda maintains a defence regiment of some 600 part-time soldiers. The adult male population is subject to conscription by ballot, involving three years' part-time liability for weekly drills, as well as an annual camp.

82. In the United Kingdom Committee of Foreign Affairs report, the Committee recommended that the United Kingdom Government should encourage the Bermuda Government to move away from conscription and towards the professionalization of

the Bermuda Regiment, with voluntary and paid elements. They also concluded that that could make serving in the Regiment more attractive, giving it the staffing resources required to expand into maritime duties.

VII. Relations with international organizations and partners

83. Bermuda is an associate member of the Caribbean Community and Common Market (CARICOM). Information on United Nations system activities involving Bermuda, including on the applicability of international labour conventions and international labour recommendations, is contained in document E/2006/47. The Territory also participates in the Caribbean Conservation Corporation, the International Confederation of Trade Unions, Interpol and the International Olympic Committee.

84. Bermuda is a member of the United Kingdom Overseas Territories. Upon the request of Bermuda, the Territory is not subject to the Overseas Association Decision implementing Part IV of the European Community Treaty. The arrangements with the European Union for association have never been applied to Bermuda, in accordance with the wishes of the Government of Bermuda. Bermuda is, however, entitled to participate in the partnership meetings involving British Overseas Countries and Territories.

VIII. Future status of the Territory

A. Position of the territorial Government

85. Developments regarding discussions on the future status of Bermuda are reflected in section II above.

B. Position of the administering Power

86. In a statement made on 6 October 2008 before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-third session of the General Assembly, the representative of the United Kingdom said, inter alia, that the relationship of her Government with its Overseas Territories was based on partnership, shared values and the right of each Territory to determine if it wished to retain its link to the United Kingdom, where applicable. Her Government had no intention of imposing independence against their will (see A/C.4/63/SR.2).

87. She referred to various constitutional review processes that had been undertaken, aimed at providing a modern constitutional framework to reflect the specific circumstances of each Territory. Provisions relating to good governance, human rights and the roles of the Governor and locally elected politicians had been updated. She stated that her Government's support for the Territories focused on capacity-building and sustainable development and indicated that the United Kingdom continued to work with the Territories, as appropriate, in areas such as political and economic transparency, security, reduction of vulnerability to natural and non-natural disasters and environmental management.

88. In a paper dated 8 May 2008, sent to the Chair of the Special Committee for circulation at the Pacific regional seminar on decolonization in Bandung, Indonesia, later that month, the United Kingdom similarly set out its position, based on the 1999 white paper on partnership for progress and prosperity: Britain and the Overseas Territories (see A/AC.109/1999/1, annex). The paper also addressed the status of various constitutional review processes undertaken in the framework of that white paper.

C. Action taken by the General Assembly

89. On 5 December 2008, the General Assembly adopted resolutions 63/108 A and B without a vote, based on the report of the Special Committee transmitted to the General Assembly (A/63/23) and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/63/408). Section III of resolution 63/108 B concerns Bermuda. Under that section's operative paragraphs, the General Assembly:

> 1. Stressed the importance of the 2005 report of the Bermuda Independence Commission, which provides a thorough examination of the facts surrounding independence, and regretted that the plans for public meetings and the presentation of a Green Paper to the House of Assembly followed by a White Paper outlining the policy proposals for an independent Bermuda had so far not materialized;
>
> 2. Requested the administering Power to assist the Territory by facilitating its work concerning public educational outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, called upon the relevant United Nations organizations to provide assistance to the Territory, if requested.